

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE

House Bill 190 (Delegate Owings)

Environmental Matters

Family Day Care Homes and Child Care Centers - Liability Insurance Required

This bill provides that each registered family day care provider must purchase and maintain liability insurance coverage of at least \$300,000, and maintain a current copy of the insurance policy at the day care home. The bill also requires a person operating a child care center to purchase and maintain adequate liability insurance coverage. A current copy of the policy must be maintained at the child care center.

Fiscal Summary

State Effect: The bill would not directly affect State operations or finances.

Local Effect: None.

Small Business Effect: Potential meaningful.

Analysis

Current Law: Family day care homes and child care centers are not required to hold a minimum amount of liability insurance coverage for incidents arising from activities as care providers, nor are they required to maintain current copies of liability insurance policies onsite.

Small Business Effect: There are approximately 11,500 family day care homes and 2,400 child care centers statewide, a majority of which are small businesses. The number of child day care providers currently carrying adequate liability insurance coverage is unknown and cannot be reliably estimated at this time. There is the potential for a significant impact on business costs as a result of the bill. Business costs could increase due to the increased

insurance payments necessary for the required minimum liability coverage. Rates for child care services would rise as a result. Also, child day care providers entering the industry may be discouraged by the initial cost of liability insurance coverage.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Human Resources, Department of Legislative Services

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cmr/jr

Analysis by: Louise Hanson

Direct Inquiries to:
John Rixey, Coordinating Analyst
(410) 946-5510
(301) 970-5510